

House File 2423 - Introduced

HOUSE FILE 2423
BY COMMITTEE ON JUDICIARY

(SUCCESSOR TO HF 539)
(SUCCESSOR TO HSB 150)

A BILL FOR

1 An Act related to claims of railroad corporations involving
2 mineral rights underlying land owned by another person.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. **614.24A** **Reservation or granting of**
2 **interests in minerals in or on land — preservation — railroad**
3 **corporations.**

4 1. When a railroad corporation as defined in section 321.1,
5 its trustee, or its successor in interest holds an interest
6 in minerals, then no action based upon any claim arising
7 or existing by reason of the provisions of any instrument
8 creating any interest in minerals shall be maintained in any
9 court in this state to recover or establish any interest in or
10 claim to real estate, legal or equitable, against the holder
11 of record title to such real estate after twenty-one years
12 from the execution of such instrument unless the claimant
13 shall, personally, or by the claimant's attorney or agent,
14 file a verified claim for such interest with the recorder
15 of the county where the real estate is located within the
16 twenty-one-year period. In the event that such instrument was
17 executed more than twenty years prior to July 1, 2012, then
18 such claim may be filed on or before June 30, 2015.

19 2. The following definitions apply for purposes of this
20 section:

21 *a. "Claimant"* means a railroad corporation as defined in
22 section 321.1, its trustee, or its successor in interest.

23 *b. "Interest in minerals"* means a perpetual interest in
24 real estate which grants ownership of one or more minerals
25 underlying the real estate of a railroad corporation as defined
26 in section 321.1, its trustee, or its successor in interest to
27 a person other than the person who owns the surface rights in
28 and to the real estate. *"Interest in minerals"* does not include
29 a lease of real estate which allows the tenant to remove
30 minerals from the real estate.

31 *c. "Mineral"* means the same as defined in section 556.1, and
32 also includes any other substance defined as a mineral by a law
33 of this state, except coal.

34 *d. "Surface rights"* means the right of one or more persons
35 to occupy the surface of the real estate.

1 3. A claim to preserve an interest in minerals shall do all
2 of the following:

3 a. Set forth the legal description of the real estate from
4 which such interest was severed, the nature of the interest,
5 the time and manner in which the interest was created, the name
6 and address of the person making the claim, and each present
7 owner of the interest.

8 b. Verify that the claim has been delivered by certified
9 mail or personal delivery to the record owner of the surface
10 rights to the real estate from which such interest was severed,
11 as set forth in the records maintained by the assessor of the
12 county in which the real estate is located.

13 4. For the purposes of this section, a claimant must be a
14 railroad corporation as defined in section 321.1, its trustee,
15 or its successor in interest claiming an interest in minerals,
16 whether the interest is a present interest or an interest which
17 would come into existence if the happening or contingency
18 provided in the instrument creating the interest were to happen
19 at once.

20 5. Nothing in this section shall do any of the following:

21 a. Revive or extinguish an interest in coal, including but
22 not limited to an interest provided in chapter 557C.

23 b. Impair the validity of an environmental covenant
24 established pursuant to chapter 455I.

25 c. Revive an interest which has expired or been terminated
26 under the terms of the instrument creating the interest.

27 6. The limitations of this section shall not run in respect
28 of any period in which the interest in minerals is separately
29 assessed for taxation as against the person who has paid the
30 taxes so assessed.

31 Sec. 2. Section 614.25, Code 2011, is amended to read as
32 follows:

33 **614.25 Effect of filing claim.**

34 The filing of ~~such~~ a claim pursuant to section 614.24 or
35 614.24A shall extend for a further period of twenty-one years

1 the time within which such action may be brought by any person
2 entitled thereto, and successive claims for further like
3 extensions may be filed.

4 Sec. 3. Section 614.28, Code 2011, is amended to read as
5 follows:

6 **614.28 Barred claims.**

7 The provisions of sections 614.24 to 614.27, inclusive, or
8 the filing of a claim or claims, hereunder, shall not revive or
9 permit an action to be brought or maintained upon any claim or
10 cause of action which is barred by any other statute. Provided
11 further, that nothing contained in ~~these sections~~ section
12 614.24, 614.25, 614.26, or 614.27 shall affect litigation
13 pending on July 4, 1965, and nothing contained in section
14 614.24A shall affect litigation pending on July 1, 2011.

15 EXPLANATION

16 This bill applies when a railroad corporation holds an
17 interest in minerals and an instrument creates an interest in
18 minerals. In that case, no action based upon any claim arising
19 from such instrument can be maintained in court against the
20 holder of record title to the real estate after 21 years from
21 the instrument's execution unless the railroad corporation
22 files a verified claim with the recorder of the county where
23 the real estate is located within the 21-year period. If the
24 instrument was executed more than 20 years prior to July 1,
25 2012, then such claim may be filed on or before June 30, 2015.
26 The bill does not affect interests in coal or the validity
27 of environmental covenants, or revive an interest which has
28 expired or been terminated.